

FISCAL NOTE

Bill #: SB0248

Title: Revise penalty for no motor vehicle insurance

Primary Sponsor: Balyeat, J

Status: As Amended by House Committee

Sponsor signature	Date	David Ewer, Budget Director	Date
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Fiscal Summary

	<u>FY 2006</u> <u>Difference</u>	<u>FY 2007</u> <u>Difference</u>
Expenditures:		
General Fund	\$46,070	\$1,960
Revenue:		
General Fund	\$21,000	\$28,000
Net Impact on General Fund Balance:	(\$25,070)	\$26,040

- | | |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

Department of Justice

1. There was a significant increase in court ordered motor vehicle registration suspensions due to no insurance violations between CY 2000 and CY 2002 and a steady increase since that time. Approximately 1,588 license plate suspension actions were taken in CY 2000, 1,434 in CY 2001, 2,026 in CY 2002, 2,101 in CY 2003, and 2,483 in CY 2004.
2. Assuming a continuing 10 percent increase per year in the number of no insurance violations, there will be nearly 2,800 motor vehicle registration/license plate suspensions in CY 2005 due to no insurance violations.
3. If an estimated 50 percent of the dispositions for no insurance violations result in issuance of a temporary registration receipt, approximately 1,050 restricted registration receipts would be handled in FY 2006 and 1,400 in FY 2007.
4. If the restricted registration is requested at the time of conviction, it is assumed that the court would leave the plates with the vehicle and send the request for the restricted registration receipt to the department in lieu of the plates.
5. Operating costs will increase \$1,470 in FY 2006 and \$1,960 in FY 2007 for registration receipt forms, computer costs, postage, and supplies.

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6. One-time FY 2006 costs include \$44,600 for programming analysis and design, testing and implementation to create a new registration receipt form, add new codes and new Criminal Justice Information Network (CJIN) messages for law enforcement, new system screens, and create the program to systematically generate the new registration receipt at the end of the restriction period.
7. A \$20.00 restricted registration fee would generate approximately \$21,000 in FY 2006 and \$28,000 in FY 2007.

FISCAL IMPACT:

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
<u>Expenditures:</u>		
Operating Expenses	\$46,070	\$1,960
<u>Funding of Expenditures:</u>		
General Fund (01)	\$46,070	\$1,960
<u>Revenues:</u>		
General Fund (01)	\$21,000	\$28,000
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
General Fund (01)	(\$25,070)	\$26,040

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

This bill may have a fiscal impact on counties and/or local governments as these cases are handled by Courts of Limited Jurisdictions.

TECHNICAL NOTES:

1. It is unclear how motor vehicle owners, insurers, and law enforcement would be affected in those situations when the restricted period overlaps the registration renewal date. It is unclear whether the owner would pay the next year's registration fees and be issued a "suspended/restricted" receipt that would be replaced after the restricted period.
2. The expiration date on the restricted registration receipts would not match the expiration date on the tabs on the license plates, which may create confusion for law enforcement.
3. The registration suspension/restriction would apply if the license plates were transferred to a new/different vehicle, but not if a new set of license plates were purchased for a different vehicle.